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DEPARTMENT OF NATURAL RESOURCES

Division of Oil, Gas & Mining

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Inspection Report

Minerals Regulatory Program

Report Date: September 28, 2006

Supervisor

DRH

Mine Name: Tony M
Operator Name: U. S. Energy

Permit number: M0170001
Date: August 29, 2006
Time: 7:30 to 11:00 AM

Inspector(s): Paul Baker

Other Participants: Fred Craft (U. S. Energy)

Mine Status: Reclaimed (partly redisturbed for exploration operation)

Weather: Clear, 80's

Elements of Inspection	Evaluated	Comment	Enforcement
1. Permits, Revisions, Transfer, Bonds	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Public Safety (shafts, adits, trash, signs, highwalls)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Protection of Drainages / Erosion Control	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. Deleterious Material	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Roads (maintenance, surfacing, dust control, safety)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Concurrent Reclamation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Backfilling/Grading (trenches, pits, roads, highwalls, shafts, drill holes)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Water Impoundments	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. Soils	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Revegetation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11. Air Quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Purpose of Inspection:

Our primary purpose was to look at vegetation cover in the reclaimed areas that have not been redisturbed. It has been three growing seasons since the site was seeded, so these areas are potentially eligible for release.

Inspection Summary:

1. Permits, Revisions, Transfer, Bonds

Since the last inspection about a year ago, a portion of the site has been permitted for exploration by International Uranium (IUC). This includes the main portals area, two remote portals, the five ventilation shafts, and the pond embankment for geophysical samples.

3. Protection of Drainages / Erosion Control

There has been some erosion on the face of the waste rock pile, but it is limited. Most of the furrows are basically filled with sediment. I did not see signs of sediment leaving the site.

8. Water Impoundments

We found markers where it appeared IUC had been drilling (Photo 3). The holes had been filled. Most of the road leading to the dam was open except the last portion which is covered with riprap.

10. Revegetation

M0170001

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I made ocular estimates of vegetation cover on the waste pile, three ore piles, and in an undisturbed area that seemed to best represent premining vegetation conditions. Values obtained were:

Waste Rock	4.6 percent
Ore Pile 1	11.3
Ore Pile 2	5.9
Ore Pile 3	6.6

What is the value in the plan???

Undisturbed 13.9 percent, success standard is 9.7 percent

The dominant species in all reclaimed areas were Indian ricegrass and shadscale. Other species present included crested wheatgrass, fourwing saltbush, gooseberryleaf globemallow, locoweed (*Astragalus falcatus*), and an unidentified *Muhlenbergia* sp. There was also a moderate amount of cheatgrass in some areas.

I did not take cover measurements on the road leading to the Lucky Strike portals, but the cover in this area looked very good (Photo 7).

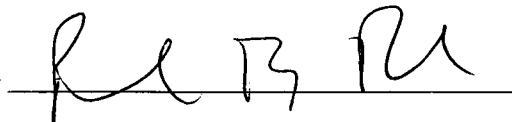
Little soil was available for reclamation of the waste rock pile, but we noticed a distinct difference between areas where soil was and was not used (see Photo 1). In several places near the top of the waste pile, a very thin (<1 inch) layer of soil was placed over the waste rock, yet these areas had about as much vegetation cover as undisturbed areas.

We did not examine vegetation cover in the area of the water pipeline, but there is essentially no vegetation on the slopes above and below this pipeline.

Conclusions and Recommendations:

Except for ore pile 1 and the road leading to the Lucky Strike portals (vegetation cover unmeasured but estimated to be adequate), the reclaimed areas do not meet the revegetation success standard. I suggest that the Division release the vent shafts, pond, and portal areas because these areas are now permitted and bonded by another entity. The road to the Lucky Strike portals and the pipeline should also be released. U. S. Energy would retain the reclamation surety for the ore piles and the main waste rock disposal area. IUC intends to redisturb this area at which time U. S. Energy would be eligible for final release.

Inspector's Signature



Date:

9/28/06

PBB:pb

cc: Fred Craft, U. S. Energy
Buzz Rakow, Hanksville BLM

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ATTACHMENT

Photographs

M0170001, Tony M Mine, U. S. Energy

Inspection Dated: August 29, 2006; Report Dated: September 26, 2006



Photo 1. The main waste pile. Note the brown areas where the limited soil was placed over the waste.



Photo 3. Drill location on the pond embankment.

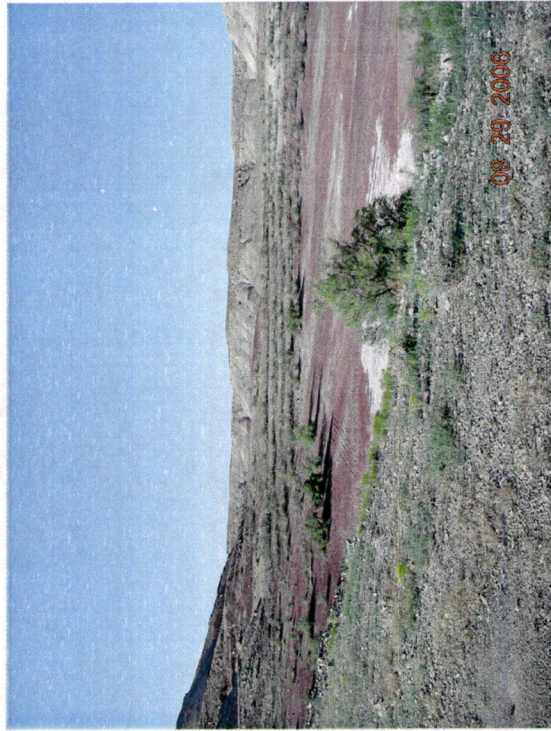


Photo 2. The mine water discharge pond.



Photo 4. One of the ore piles is shown in the lower center portion of this photo.



Photo 5. Another ore pile.

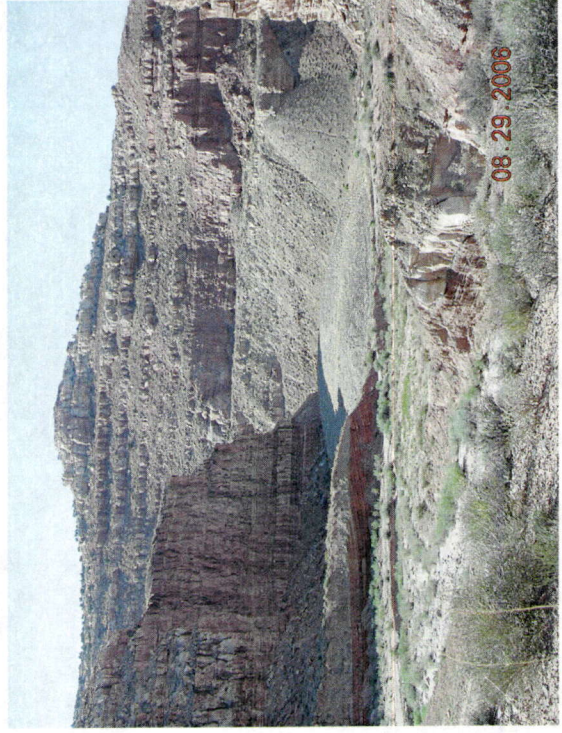


Photo 6. Another ore pile.



Photo 7. Road leading to the Luck Strike Mine.